

Kessar
warns
Nissim
on talksBy JEFF BLACK
For The Jerusalem Post

Histadrut Secretary-General Yisrael Kessar last night warned Finance Minister Moshe Nissim not to mistake the labour federation's patience over the public sector wage negotiations as a sign of weakness.

The trade unions' strike headquarters is scheduled to meet this morning to discuss organizational steps for a campaign which will begin at the start of September if no agreement is reached with the Treasury before then.

Histadrut trade union head Haim Haberfeld yesterday rejected the Treasury's latest offer which, as *The Jerusalem Post* revealed, involved a sliding-scale for wage increases. Under the proposal, workers receiving the minimum wage would get a NIS100 a month increase, while those above NIS 700, according to union officials, would get nothing. Haberfeld said this offer was not even an improvement on previous ones made by the Treasury.

Kessar said Nissim was labouring under the misapprehension that he could get away with offering the Histadrut less than the 10 per cent increase it was demanding.

Kessar stressed that if the Treasury did not improve its offer within the few days remaining in August, the unions would have no option but to take industrial action, a move which he said would do irreparable damage to the economy.

Hidden
Struggle

The real struggle between the Treasury and the Histadrut is going on behind the scenes. It is over the future of the economic power of the Histadrut and its agencies.

The visible struggle over the wage framework agreements is only one of the ways through which the Histadrut is trying to achieve its main target: maintaining its historic economic power. Successfully preserving the established privilege of the Histadrut could easily pay paid to some of the reforms that the Treasury has been planning, together with the Bank of Israel and under the supervision of the Americans.

One of the main reforms already being implemented concerns the capital market. The goal of the authorities is to withdraw as massively and as rapidly as possible from the capital market. In this connection the

FINE PRINT
SHLOMO MAOZ

Treasury had suggested that the Histadrut's pension funds would be required to deposit only 75 per cent of their funds with the Treasury compared to 92 per cent today. For the rest of the workers' pension money, the Histadrut would have to find other shelters without benefit of a government umbrella.

The Histadrut, however, had threatened that if the present situation in regard to the pension funds were not left as is, it would refuse to sign the economic stabilization agreement. The Treasury gave in on this reluctantly, but it didn't abandon its dream.

Now this issue has been raised again in the context of the negotiation over the new wage agreement. Moreover, the Histadrut doesn't like the idea that the interest on these pension fund deposits be reduced significantly from its historic level of 6.3 per cent per annum. The pension funds provide the Histadrut with tremendous economic power.

Another Histadrut demand is to keep up the level of government spending to cover the deficits of its Kapat Hadim sick fund. The Histadrut is also adamantly opposed to the Treasury's proposal that the burden of health care be shifted from the government to the patients.

The Histadrut demand that should prove the easiest to meet, concerns the continued maintenance of price control over a long list of commodities.

On the central issue of wages, the Treasury has actually agreed to raise the wages of the lowest paid workers in the public services. This has pulled the rug out from underneath the Histadrut. The Histadrut is now expected to concentrate primarily on gaining more for the workers in the highest wage levels, and that is where we can expect a protracted fight between the Histadrut and the Treasury.



Surgeons at work in Ovadia Matzri's open chest cavity during his five-hour heart transplant at Jerusalem's Hadassah Hospital.

(Avi Hayon)

Beersheba man
stable after
heart transplant

By JUDY SIEGEL

Post Science and Health Reporter
Ovadia Matzri, a 51-year-old Beersheba resident, was "fully conscious, in stable and satisfactory condition but not yet out of danger," yesterday after undergoing the third heart transplant in Israel - the first since Hadassah-University Hospital was authorized by the Health Ministry over a year ago to perform such surgery.

The five-hour operation, which followed the removal of a donated heart from an unnamed young man who suffered irreversible brain damage and lay clinically dead at Hadassah, began around midnight on Tuesday.

One team, which included two cardiologists, an anesthesiologist, nurses and a pump technician, removed the donor heart. A second, even larger surgical team, headed by Dr. Joseph Bornan - head of Hadassah's cardiothoracic surgery department - and Dr. Dov Shimon, removed Matzri's damaged heart and replaced it with the donated organ.

The heart transplant, a near-routine procedure in scores of hospitals abroad, was the first in Israel since Prof. Morris Levi of Beilinson Hospital performed two transplants in December 1968 and February 1978, after receiving special permission from the Health Ministry. The first patient, bank clerk Yitzhak Sulam, survived only 14 days, and the second, 21-year-old elevator operator Abdulla Azzam, lived for just 26 days after the operation.

"We are hopeful that he will make a complete recovery," Matzri's wife Lea said yesterday afternoon. "Ovadia was very optimistic before going into the operating theatre, and promised that he would once again

be able to swim and play soccer."

She said that after the operation her husband could not talk but had recognized her. "I could tell from his eyes."

Matzri, the father of four and grandfather of two, worked until last year as a security officer at the Machteshim plant in Beersheba, his home town. He was a heavy smoker, and his family has a history of heart trouble.

Matzri's cardiac problems began six years ago, his wife said, and doctors told him a year ago that he needed a transplant. In the past year, he suffered from severe weakness and was unable to work.

Several months ago, Matzri appeared on Israel TV's discussion programme on heart transplants to stress how urgent it was for the public to donate the organs of their loved ones.

Matzri refused to let his family try to raise money for a transplant abroad, and he was "ideologically opposed" to leaving Israel to have the operation. "I want to be the pioneer and have more patients follow me," he said in a recorded interview broadcast on Israel Radio yesterday morning.

The donor, who was hospitalized at Hadassah and whose family insisted should remain anonymous, expressed the wish, before losing consciousness, that some of his organs be donated to others in order to save lives. His family respected his wishes.

The Matzri family were alerted on Tuesday afternoon about a potential donor, and Ovadia was told to get ready and be at Hadassah within 90 minutes. The Hadassah rabbi, Ya'acov Rakovsky, was present when the donor heart was removed

(Continued on Page 7)

Nissim, Rabin accept Lavi 2000 proposal

Further blow to Lavi as
key ministers back PeresBy AVI TEMKIN
Post Economic Reporter

The fate of the Lavi seemed to be sealed yesterday after a major realignment of forces within the cabinet produced a majority in favour of Vice Premier Peres's proposal to terminate the fighter jet project. At the end of several meetings on the future of the plane, it emerged that two key figures, Finance Minister Nissim and Defence Minister Rabin, had decided to support Peres's formula.

Nevertheless, it is not yet clear whether the cabinet will vote on the Lavi on Sunday as originally scheduled. Sources close to Prime Minister Shamir said that he would only decide at the end of the week whether or not to hold the vote. At the weekly meeting of Likud ministers yesterday, Shamir said that he was against deciding on the Lavi by a narrow majority.

Peres's scheme for halting the Lavi, which will be presented to the cabinet, includes six points and is based on proposals he made last week. Under the plan, Israel Aircraft Industries will receive \$100 million to finance research in advanced aircraft technologies and to develop part of the weapons systems required by the army. In addition, the government will ask the U.S. to allow IAI to participate in the production of F-16 jet fighters and in the development of the next generation of F-16s.

Peres was able to win Rabin's support after agreeing that the term "Lavi for the year 2000" would be dropped from the proposal. The formula that will be presented by Peres will speak of research in advanced aircraft technologies, but will not pledge that the Lavi will eventually be developed as a next generation aircraft.

Nissim's support for the plan was obtained only after Peres promised the finance minister that the scheme would not require enlarging the budget or raising taxes.

Peres hinted yesterday at a meeting of Labour Party ministers that the U.S. supported his plan, which he presented to Ambassador Thomas Pickering last week.

In a TV interview, Peres said the U.S. had indicated it would respond positively to an Israeli request to participate in the development of the next generation of F-16s, if such an aircraft is developed.

Peres said his plan represented an answer to the economic, military and technological aspects of the problem; it would also contribute to a further improvement in relations with the U.S.

In an interview last night on the Mabat news programme, Peres said that the Lavi was beyond the country's means and that talk of financing it from U.S. military aid was premature because the U.S. had indicated no willingness to permit such an arrangement.

He said that under his plan, the U.S. would employ the services of Israel Aircraft Industries in developing new systems, and that this would make firings unnecessary.

Peres met yesterday with Shamir to present the premier with his plan. Shamir did not react to it, but asked Peres to present it to Minister-without-Portfolio Moshe Arens, the Lavi's staunchest supporter.

Shamir also met with Minister-without-Portfolio Yitzhak Moda'i, who presented him with a plan on the enlargement of the state budget by \$150 million, which will be financed in part by the unexpected increase in tax revenue during the

last months, and the sale of some government corporations.

Peres's plan was sharply attacked at yesterday's meeting of Likud ministers. Housing Minister David Levy called the scheme "a recipe for perpetual unemployment." Science Minister Gideon Pat said the plan "was not a serious one," and Industry and Trade Minister Ariel Sharon said that the Lavi project must go ahead. Nissim also attended the meeting but opted to keep mum.

Shamir warned his Likud colleagues not to use the issue to create a division along party lines. He again criticized the army for its intervention in the public debate over the Lavi.

The meeting of Labour Party ministers produced almost unanimous support for Peres's plan. Only the position of Health Minister Shoshana Arbeli-Almosino was not clear. She has been one of the strongest supporters of the Lavi.

Histadrut Secretary-General Yisrael Kessar last night came out strongly in favour of continuing the project. Interviewed on Israel Television's *Moked*, Kessar maintained that the government should concentrate on finding ways to continue the project rather than end it. He stressed the need to protect jobs at Israel Aircraft Industries and said the project had gone too far to be stopped.

To support his arguments in favour of the Lavi, Kessar quoted Moda'i's report which supported the project's continuation. Regarding Peres's proposal, Kessar said he did not know all the details; but he made it clear that he preferred continuing with the already started project rather than embarking on a new one which could repeat the mistakes in the cost-estimates and development of the Lavi.

Couple,
child die
in crash

By DAVID RUDGE

Jerusalem Post Reporter
TIBERIAS. - Three members of a family were killed and six others were injured in a head-on crash in Galilee early yesterday morning.

The dead were identified as Raphael Fahima, 42, his pregnant wife Bridget, 28, and Fahima's 75-year-old father Masoud, all from Migdal Ha'emek.

Bridget Fahima was reportedly in her ninth month of pregnancy. The couple's two children, aged seven and nine, who were also in the car, were seriously injured.

The accident occurred at about 1 a.m. along the main road from Tiberias to Nazareth, near the turn-off to Kafr Kana.

According to police, the Fahima family were travelling from Tiberias, apparently on their way home, when their Subaru collided with another Subaru.

The driver of the second car and two passengers, including a soldier, all from the Kibbutz Hasoleim, were injured. Police said the driver and the soldier were seriously hurt.

A third car, driven by a Chinese tourist, Chang Quan Poh, crashed into the rear of the Fahima family's Subaru. The driver was also seriously injured.

Rescue teams worked for over an hour to remove the injured and the dead from the tangled wreckage of the three cars. An IDF helicopter flew the injured soldier to Rambam Hospital in Haifa.

The driver of the second Subaru, the two Fahima children and the Chinese tourist were taken by ambulance to Rambam. All were said to be in serious condition.

The sixth injured person, suffer-

(Continued on Back Page)

Wertheimer can purchase
Beit Shemesh Engines

By AVI TEMKIN

Post Economic Reporter
The ministerial committee on the sale of Beit Shemesh Engines yesterday accepted in principle a plan drafted by Giora Gazit to transfer control of the troubled company to industrialist Stef Wertheimer.

The committee's chairman, Vice Premier Peres, will present the detailed plan to the cabinet on Sunday.

The Treasury has already expressed strong opposition to the plan, and Finance Minister Nissim is expected to try to convince the cabinet to overrule yesterday's decision. The cabinet decision is expected to take into account the decision on the Lavi, for which Beit Shemesh was to produce part of the engine.

Under the agreement between the government and Wertheimer, the Defence Ministry will place \$20 million a year in orders over the next years with Beit Shemesh. In addition, the government will only hand over the plant to Wertheimer after assuming responsibility for its \$150 million of debts.

Wertheimer has so far refused to guarantee he will employ at least 450 of the 750 plant's workers during the next few years.

"I cannot give such a pledge. I am not the Employment Service," he said yesterday.

Wertheimer insisted that the government's transferring of the plant to him was no gift. The plant is losing \$1 m. a year, he said, and he was risking incurring similar losses in the future.

IAI weighing
Arava plant
in Puerto Rico

Jerusalem Post Staff

Israel Aircraft Industries is considering establishing a factory and maintenance centre in Puerto Rico to manufacture the Arava, a twin-turbine passenger plane. It will be IAI's first manufacturing plant outside Israel.

Puerto Rico is being considered because of its low labour costs and tax incentives, and because as an American commonwealth, it can help Israel avoid future U.S. protectionist moves.

The multi-million dollar project will create 200 jobs for Puerto Rico.

The full story of the proposed factory will appear in tomorrow's *Jerusalem Post*.

Inner cabinet authorizes large
water drilling near Herodion

By BENNY MORRIS

Post Diplomatic Correspondent
The inner cabinet decided yesterday to authorize the West Bank Civil Administration to continue negotiating a contract for a major water drilling project at Herodion, near Bethlehem, overruling objections from Foreign Ministry officials.

But a senior government source predicted that the project would "never get off the ground," given the type of company involved and the conditions that will be appended to the drilling contract, if it is ever signed.

Three cabinet members - Police Minister Haim Bar-Lev, Education Minister Yitzhak Navon and Minister-without-Portfolio Ezer Weizman - raised objections about the project. But the matter was not brought to a vote. The project,

which would supply water mostly to Jerusalem, is strongly supported by Industry and Trade Minister Ariel Sharon, Foreign Minister Peres and Prime Minister Shamir.

The Moriah Technology and Energy Company, set up and run by North American Christian fundamentalists, has already reached an understanding with the Mekorot water company to carry out the project. Mekorot and the Water Commission are to negotiate the contract for the scheme with the Civil Administration and Defence Ministry.

The coordinator of activities in the territories, Shmuel Goren, has said the contract between the Water

Commission and Civil Administration must include clauses to protect Arab water rights. These include guarantees that the rates of water supplied from the project will be identical to current water rates, that Jewish settlements will only receive water after Arab needs are met, and that Mekorot will compensate Arab well-owners with water if their supplies are depleted by the project. A supervisory body will also be established to mediate in disputes between Mekorot and the Civil Administration. If Mekorot refuses the contract conditions, the project will be cancelled, according to Goren.

(Continued on Page 2, Col. 2)

Tension eases in the Gulf

Iran says it won't attack U.S. warplanes

Post Middle East Staff and Agencies

Tension eased in the Gulf yesterday after Iran pledged to avoid a clash with U.S. warships standing by to guide a new tanker convoy into the waterway. A statement by Iran's President Ali Khamenei that his country would avoid clashing with the U.S., markedly relaxed the region, regional shipping sources said.

Meanwhile, Egypt's top military man said Arab oil states have given Iraq \$181 billion during its war with Iran to the detriment of their own economic development.

Egyptian Defence Minister Abdel-Halim Abu Ghazala also told the state-owned weekly *Al-Musawwar* due to be published today that Iranian leader Ayatollah Khomeini and Israel have common aims in seeing the Gulf war continue, eroding Arab resources and relegating the Palestinian question to a secondary position on the international scene.

"Khomeini's actions (against Gulf Arabs) and Israel's actions in regard to the Palestinian problem represent, in the final analysis, one and the same onslaught against the Arab world," he said. "Iran and Israel aim at reducing Arab capabilities."

He said the Gulf war had put the Palestinian

issue "at the tail end of international concerns... it is in Israel's supreme strategic interest that the Iraq-Iran war continue."

"The Gulf war has realized the desired results for the two superpowers," the minister said. "It has halted economic development in the region's oil-producing Arab countries since 90 per cent of oil moneys are being spent on the war."

He estimated the aid to Iraq from these countries at \$181 billion - "an astronomical figure. You can imagine what \$181 billion would have meant if spent on Arab development."

Egypt has supplied arms, ammunition and spare parts to Iraq "without discussion or restrictions... many times (it has been) at the expense of the strategic reserves of the Egyptian armed forces," Ghazala noted. Western diplomats estimate the value of Egyptian arms aid at well over \$1 billion.

On the Gulf war in general, Abu-Ghazala deplored the "absence of (military) coordination" among the Arab countries in the Gulf region.

"They have minuscule forces. Why haven't they used them to clean up the Gulf? They have frigates and destroyers, but where is their naval presence? They have reasonable numbers of aircraft superior to Iran's, but how many of these

planes have been sent up to protect Arab ships?"

Ghazala's comments coincide with criticism in the Egyptian press regarding the "failure" of Arab League foreign ministers to adopt a firm stand towards Iran at a meeting that ended Tuesday in Tunis.

"Weak resolution," was the headline in the pro-government newspaper *Al-Akhar*. The semi-official *Al-Ahram* underlined the "failure of the Arabs" in Tunis.

Iraq, however, yesterday expressed satisfaction with the Arab League's call "inviting" Iran to accept a UN Security Council cease-fire resolution.

The ministers said they would reconvene before September 20 to consider breaking Arab-Iranian relations if Tehran does not endorse the UN cease-fire by then. Diplomats said Iran was stalling on the UN cease-fire demand, as senior Iranian officials headed for Tehran Tuesday night after talks at the U.N.

In the Gulf yesterday, high winds and desert sandstorms delayed the progress of the latest convoy of reflagged Kuwaiti tankers and American warships. Regional shippers said American secrecy made it difficult to pinpoint the location of the ships.

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There are only a few hours left to place your classified ad for tomorrow's *Luah Ma'ariv*. Just take your ad to any advertising agency, or to an office of *Ma'ariv* (or call 03-439439) and it will run in Hebrew in that paper. Hand it in early enough to make sure it reaches the office of *Luah Ma'ariv* before 5 p.m. today and your ad will also appear in English in *The Jerusalem Post*.

Beat that deadline!

Bonn offers to scrap controversial Pershing

Kohl's move jolts Washington

WASHINGTON (Reuters). — A West German offer to scrap rather than modernize its 72 ageing Pershing-1A missiles if the superpowers reach an arms control accord this year has surprised and puzzled Washington, U.S. officials said yesterday.

The officials said that while the offer by Chancellor Helmut Kohl might make reaching the expected accord easier, it could create more problems than it solved.

They said the offer by Kohl at a Bonn news conference earlier yesterday undercut the U.S. negotiating position in arms control talks in Geneva expected to result in an accord scrapping all missiles with ranges of 500-5,000 km.

"Quite honestly, I'm puzzled by this. It's a very surprising move," one official said. "It raises the tough political issue of the third party question that we have adamantly excluded during the talks."

Washington has refused consistently to include the Pershing-1As in the talks because they are regarded as a "third party system" not part of a bilateral accord.

It has also refused to include British and French missiles in the talks on the grounds one country cannot negotiate on behalf of another.

Kohl's offer muddies the waters

on lines usually drawn between two negotiating parties that third party systems are out of the question," an official said.

"It's an implicit statement that they understand their actions can affect bilateral negotiations between two others and that is not helpful," he said.

Over the last few months, as the superpowers have drawn closer to agreement on a so-called intermediate nuclear force (INF) agreement, Moscow has brought up the Pershing-1As as the chief remaining obstacle.

It argues that because the warheads on the West German missiles are controlled by the United States, that makes them subject to the effort to rid Europe of medium-range weapons.

Washington insists that they are West German systems subject to normal cooperation between allies and officials say they believe Moscow raised the subject simply to wring further concessions.

The officials said Moscow was well aware that a compromise could be reached easily. They said that could take the form of a tacit understanding in the talks that Washington would not update the missiles, which are over 20 years old and practically obsolete.

Once a treaty was signed a way could be found to get rid of the weapons formally, they said.

"The Russians know there is a way around the problem, but they've raised it and keep raising it as a kind of decoy issue," one said.

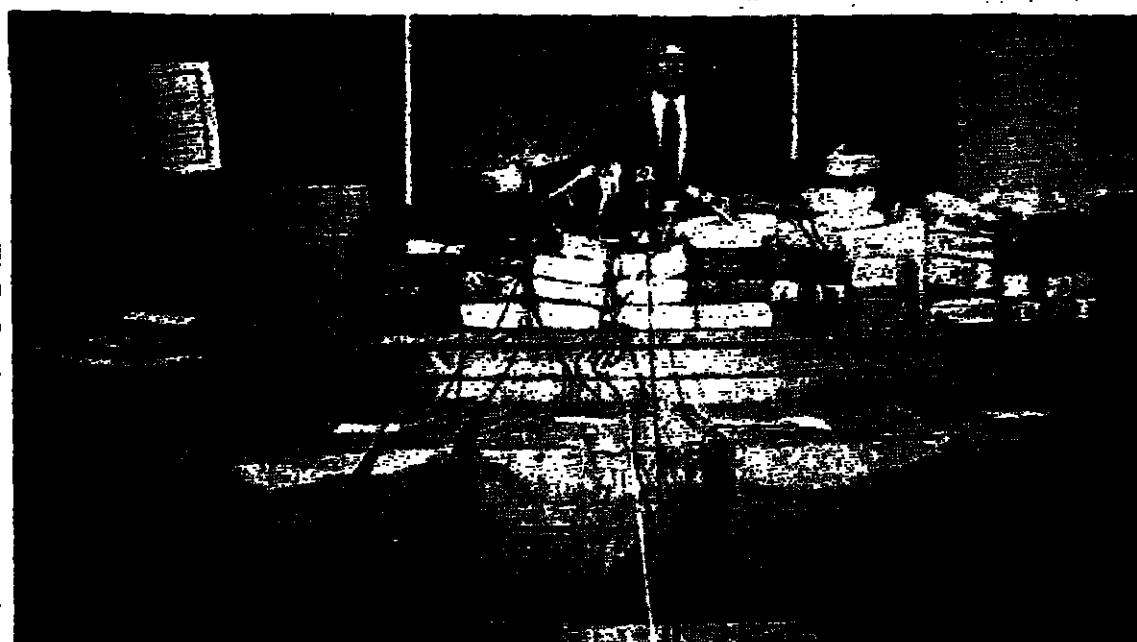
Soviet Deputy Foreign Minister Vladimir Petrovsky did so again yesterday in an interview on NBC's Today show, calling the Pershing-1As the chief obstacle to an accord.

"What is really needed now is to eliminate the main obstacle to this agreement, in other words, the 72 warheads to the Pershing-1As," he said.

In Moscow, the official Soviet news agency Tass said Kohl's statement was hedged with conditions.

In the first reaction from Moscow, Tass said: "Obviously taking into consideration the sentiments of the world public, the chancellor did not rule out the possibility that West Germany would give up the modernization of the Pershing-1As and eventually eliminate them."

"However, he made that possible step dependent on a number of preconditions and emphasized that Bonn would agree to do so only after the final elimination of the Soviet and American medium-range and shorter-range missiles."



Los Angeles assistant police chief Barry Wade shows off boxes containing 2,135 lbs. of cocaine valued at \$363m. that was seized several days ago. Three Colombians were arrested in the largest cocaine haul in California (APR)

SA miners reject wage offer

JOHANNESBURG (AP) — The National Union of Mineworkers voted last night to continue their 17-day-old strike, rejecting an offer by the top mining houses to slightly improve benefits, but not pay.

Grim-faced union general secretary Cyril Ramaphosa read the decision from a statement prepared by union leaders. Their two-hour meeting followed daylong voting by thousands of black miners on whether to accept the offer from the Chamber of Mines, which represents the top mining houses.

"The text that we transmitted to the chamber was to inform them that our entire membership in the striking mines has decided not to accept the chamber's offer," Ramaphosa said.

"The strike continues until our demands are met," said Ramaphosa, who stood in front of 100 men singing a solidarity song at the news conference.

He said the support for continuing the strike was virtually unanimous among the thousands of black miners who voted by show of hands in union halls and residential hostels throughout Transvaal Province and Orange Free State.

"It remains our view that the strike ... is a just struggle by thousands of mine workers for a living wage and improved working conditions," Ramaphosa said, adding that union officials had not made any recommendation on the vote.

"Our members found that they could not even consider the offer as seriously as we thought they would consider it," he said.

North Italy on red alert as lake threatens to break banks

MILAN (AFP). — Italian authorities declared the Valtellina area of northern Italy a danger zone yesterday as a valley lake swollen by heavy rain threatened to break its banks and swamp the homes of 50,000 people. An area of 40 km. long in the Pola valley could find itself under water if that happened.

The lake, containing tens of millions of litres of water, was created in late July, after a massive mud slide blocked the river Adda, killing 28 people.

Heavy rain over the past three days has caused the water level to rise steadily and the Sondrio police chief here has warned that every extra centimetre is crucial.

The water level rose by four centimetres an hour yesterday morning, but it was a slower rate than on the preceding days.

More than 20,000 people have already left their homes because of the risk of flooding and a further 10,000 are preparing to leave.

Workmen have been trying to dig channels in the banks to release some of the water but the operation was held up yesterday because of the instability of the area.

Earlier in the week in northern Italy, a woman was killed by a raging torrent that swept away several houses. Roads were blocked by mud slides and a holiday village had to be evacuated. Heavy winds also ripped off roofs and tore down trees during the violent storms.

U.S.-Iraq trade pact signed

By DAVID MAKOVSKY WASHINGTON. — The U.S. and Iraq signed a trade agreement yesterday to promote commercial, economic and technical cooperation between the two countries beyond the current annual \$1 million level of bilateral trade. The agreement marks the first such accord between the two countries since Iraq and the U.S. renewed diplomatic ties.

Iraq is the largest market for U.S. exports in the Arab world, after Saudi Arabia and Egypt. The bulk of U.S. exports to Iraq is in the area of agricultural products.

Acting Secretary of Commerce Clarence Brown said, "The agreement will serve as a catalyst for the expansion of U.S. commercial relations with Iraq by reducing impediments to trade and investment and facilitating business travel." Brown signed the accord with visiting Iraqi Trade Minister, Mohammed Mehdi Salih.

A State Department spokesman said the aim of the agreement is to diversify trade exchanges, and that the deal has no impact on the U.S. position of neutrality in the war between Iran and Iraq.

FOREIGN BRIEFS

Tienanmen Square

bomber to be executed
BEIJING (Reuters). — A young man who set off a bomb in Beijing's Tienanmen Square last month was sentenced to death yesterday, the New China News Agency reported. Deng Qilin, 24, a contract worker from a fireworks factory in Hubei Province, detonated the device in the square at midnight on July 17. The blast damaged a nearby sculpture and building. NCNA did not explain the motive behind the bombing.

Uganda rebels steal two army helicopters

NAIROBI (Reuters). — Two army helicopters were stolen from Entebbe near Kampala by suspected rebels posing as Ugandan air force officers, according to a report from a Ugandan Army source. The imposters turned up at the military section of Entebbe airport on Friday and flew off with the two Soviet-built helicopters, saying they were needed for operations in the east of the country.

Fires destroys huge forest area in France

ST. RAPHAEL (AFP). — Raging forest fires have destroyed thousands of acres of woodland in the south of France, the authorities reported here yesterday.

Some 2,000 firemen and soldiers worked through the night to contain the flames which swept down from the hills behind this Mediterranean resort towards the sea, and at one point ate up eight km. of forest in just two hours. Three firemen were hospitalized with serious burns when their fire engine burst into flames.

King Hussein receives int'l peace award

AMMAN (Reuters). — King Hussein yesterday received an international peace award for his efforts to promote peace in the Middle East. The Pax Mundi Committee of the Brussels Diplomatic Peace Academy gave the Dag Hammarskjöld Prize, named for the former UN secretary general who died in a 1961 air crash in Africa.

Turkish troops detain 79 Iranians at border

ANKARA (AP). — Turkish security forces have detained 79 armed Iranians who crossed into Turkey on their way to Iraq, the Anatolia News Agency said yesterday.

Anatolia reported earlier in the day that 94 Iranians were captured and no explanation was offered for the different number.

The dispatch, quoting local Gov. Macit Dalkilic, said the armed men made the crossing Sunday into Hakkari Province at the southeastern tip of Turkey where Turkish, Iranian and Iraqi borders meet.

Two die in Philippine fuel riots

MANILA. — At least two people were killed and several wounded during a protest against oil price increases in a town near Manila, the military and eyewitnesses reported yesterday.

The constabulary headquarters in Manila said two strikers were killed and one soldier was wounded when demonstrators barricaded a major route in Bacoor town, some 20 km. south of here, buried explosive devices.

But leaders of the general strike which brought major Philippines cities to a halt said a woman worker belonging to the militant May First movement (KMU) was killed and a second woman wounded when

soldiers opened fire on the Bacoor protesters.

A private television station showed footage of injured strikers and reported at least three people wounded in the Bacoor incident.

Colonel Cesar Garcia, provincial constabulary commander of Cavite Province where Bacoor is located, said he ordered the dispersal following four hours of negotiations with protesters. He said nobody was arrested.

In Manila, police clashed with rock-throwing demonstrators and thousands marched near the presidential palace during the nationwide strike. Seven people were arrested.

Police break up Hess admirers' rally

WUNSIEDEL (Reuters). — Nazis shouting "Open up, family's grave has been cordoned off and rallies banned in this small Bavarian town in an effort to dissuade rightwing extremist demonstrations.

Ninety Nazi sympathisers among a crowd of about 600 were arrested and police took about three hours to disperse the demonstration.

Police chief Martin Oester said some demonstrators fought the police and two guns and two axes were seized. Six of those under arrest were Austrian.

"No one was able to enter the graveyard. Some tried but were stopped," he said.

Hess, who hanged himself in West Berlin's Spandau war crimes prison nine days ago, was buried at a secret place earlier this week. The cemetery containing his

family's grave has been cordoned off and rallies banned in this small Bavarian town in an effort to dissuade rightwing extremist demonstrations.

Police used dogs yesterday to keep the crowd back from the main gate. When ordered to disperse, neo-Nazis responded with Hitler salutes and breaking into the first lines of the national anthem, with the words "Deutschland, Deutschland ueber alles (Germany above all)..."

The Nazis, including old men and women and children no older than 13, began gathering outside the graveyard at noon, two hours before the time originally set for Hess's funeral.

Handwritten leaflets calling for a memorial service for Hess at 2 p.m. were passed out around the town.

Pitcairn islanders get lifeline to the world

By MICHAEL CONLON CHICAGO (Reuters). — The next time one of the descendants of Fletcher Christian's band of mutineers on Pitcairn Island comes down with appendicitis, help will be just a 96,000km. telephone call away.

Space age medical care will come to the tiny speck of land 5,800km. east of New Zealand this year in the form of a satellite linkup to a hospital emergency room in Chicago.

Doctors at Resurrection Hospital say they will be able to offer basic medical advice to the island's lone nurse, and may be able to read X-rays and electrocardiograms and monitor the vital signs of ailing islanders.

For Kari Young, the Norwegian-born wife of Pitcairn magistrate Brian Young, the lifeline will make it easier to relax on the island, where most of the 47 permanent residents are direct descendants of the mutineers on the Bounty.

An Oslo native and author of *The Last Mutineer*, a best-seller in Norway, Young recently visited the Chicago hospital, where she told reporters how the islanders have sometimes suffered from insufficient medical advice.

Two islanders in recent years were sent to New Zealand for treatment for what was, incorrectly, thought to be appendicitis, she said. And a

young girl who fell in a cistern and was thought drowned probably would have been left for dead if two physicians hadn't been visiting the island at the time, she added.

Until now Pitcairn, Britain's last colony in the South Pacific, had no permanent arrangement with an outside medical facility. When the link-up is complete, doctors at Resurrection should be able to monitor a patient through telemetry just as they do an accident victim in Chicago when paramedics are sent to assist.

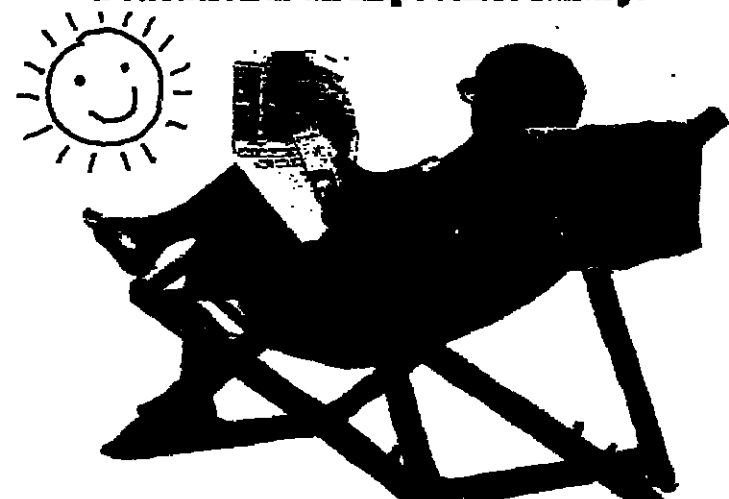
The islanders today, 13 of them children, make a living carving curios for souvenirs and selling stamps to the outside world. Most of their ancestors were the mutineers who seized the Bounty in 1789 and sailed to the 1.5km.-long island with a handful of Tahitians after casting Captain William Bligh and 18 officers adrift.

The mutineers remained undetected until 1808, largely because charts of the day misplaced the island by 320km. Christian and other Bounty crew were killed during a period of internecine strife but the island later prospered under the leadership of the sole surviving male adult, John Adams.

Young, whose husband is a descendant of Bounty midshipman Edward Young, said there has been "a decline in social life now on Pitcairn because we are all so busy making curios."

A few residents are now attending college in New Zealand, she said, but "there's not much use in coming back to Pitcairn to weave baskets if you have a college degree." Given the demographics, she added: "It might be difficult to keep the next generation going."

For some of Israel's elderly, a vacation is an impossible luxury.



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Free but frustrated

Life can be tough for a creative Soviet artist who seeks liberty in the U.S.

SOVIET ARTISTS who emigrated to the United States to paint, write and dance have found the freedom they sought but not the fulfillment.

At home, they attracted the attention of both a committed avant garde brotherhood, a small but steady audience, and the security apparatus. Here, many feel lost and alone.

They have reverted to the strategies they used in the Soviet Union to pursue their own private visions—taking outside jobs, living outside the system.

"There, somebody—the state, artists, the public—gave a damn," said flamboyant poet and artist Henry Khudyakov, who lives in a cramped room atop a small house in Brooklyn.

"Now, I feel so free that I am disgusted with it."

For artists Rimma and Valery Gerlovins, emigration from their native Moscow brought freedom to experiment with new media and top-quality materials. It has not, however, integrated them into the Western art scene.

"Here we can do video, music, work with wood or metal," said Rimma. "Before it was like working with a chamber orchestra. Now it's an entire opera house."

"But so far as Russian emigre art as a movement is concerned, no one cares about us. There was some interest, but not any more," added her husband Valery.

All three are part of an artistic community, transplanted from the USSR in the 1970s, that has come into its own on U.S. soil while remaining largely outside the mainstream of the American art world.

For years, New York, like Paris, has been one of the leading centres of contemporary Soviet visual arts.

The (emigre) artists in New York are offering some very strong work, much stronger for the most part than work going on in the Soviet Union," said Gail Roman, a professor of

Russian and Soviet art at Vassar College, in New York state.

"But unfortunately I can't say it's had any real effect on American artists," she said.

Among the barriers separating Soviet and American artists, Roman said, are the emigres' generally broader intellectual background, the presence here of a potentially lucrative art market and the Russian tradition of art as politics—first under the Tsars and now under the Soviet system.

"Emigre art has greater intellectual depth, even when it's bad art," said Valery Gerlovins during an interview in a studio in the industrial zone on the edge of Soho, the downtown Manhattan arts district where he and his wife work and live.

"In Russia, neither philosophy nor visual arts existed as a pure discipline," he said.

As a result, Russian art has always bordered on philosophy and literature. The manifesto is as much a part of the art scene there as the canvas or the sketchbook.

The Gerlovins' own works reflect this rich intellectual tradition.

Rimma, trained at Moscow State University as a philologist, uses words, phrases, and the letters of several different alphabets as part of her wood constructions. Many suggest the Russian futurists' books of the early 1900s, blending words, letters and graphic design.

Valery, meanwhile, has delved into numerology and ancient philosophy, covering a series of metal cutouts with Pythagorean and traditional Chinese number systems.

A show of their latest work ran in June at a gallery in New York's East Village, and a second show—in collaboration with a photographer—is set for November.

New York's art economics, with its emphasis on high pay-outs for those who win the favour of prestige galleries, has kept many Russian

emigres—unaccustomed to competition for big bucks—on the fringes.

As a result the focus of current American art, say the Gerlovins, is technique, not content.

"American art is good-looking. In Russia viewers see the artist in every work," said Rimma. "Too many American artists look to sell today. They lack any historical perspective."

To pursue their own visions, Khudyakov and the Gerlovins have employed the same strategies they used as underground artists in Moscow.

Khudyakov, with his hypnotic rhythmic poetry and psychedelic painted jackets, ties and icon-like canvases, says he gets by, much as he did before—by living frugally and relying on friends.

The situation (here) has begun to look to me the same as in the Soviet Union—no way out," said Khudyakov, a modern day-glo icon hanging in the corner of his studio behind his head.

"There is no place for artists from the street here. I am again a man of the street. I am unsuccessful, socially speaking. But my soul is clear."

As in Moscow, the Gerlovins have outside jobs, doing restoration work for galleries and museums. This, they say, frees them from gallery owners, publishers and other business entanglements that would limit their creativity.

The couple said their decision to come to the U.S. was a sudden one. The final move to leave was made in 1978 after postponing it each year since 1974.

"It was a one-day decision. We woke up one morning and decided. There wasn't enough space for us," said Rimma.

Now, there is space—perhaps too much space. "The atmosphere has changed but my life hasn't changed," said Khudyakov.

(Reuter)

Breaking the code of the royal consort

ROBERT SCHIFFREEN is a bit of a computer addict. When not writing about computers for various magazines, he used to sit in front of his PC at home in Edgeware, experimenting.

One evening in 1984, he was engaged in the dubious pastime of typing identity codes and passwords at random in the hope of "breaking into" files stored in British Telecom's Prestel computer.

As a Prestel subscriber himself, Schiffreen knew that each user has a 10-character identity code and a four-character password. He tried all sorts of combinations, for hours on end, to no avail, but was finally rewarded when he keyed in 2222222222 as an identity code and the password 1234.

Prestel welcomed him to a file containing numerous other access codes for files stored in a test computer. Naturally he tried them all, and by the time the sun was rising over Edgeware, he was almost at the bottom of the list, having found little of interest in the files he was breaking into.

But his doggedness was to be rewarded. He keyed in one of the codes on the list and, to his amazement, the computer screen positively lit up, greeting him with the message: "Good morning HRH Duke of Edinburgh. Welcome to Prestel—nothing too thrilling. Just congratulatory messages and various obscure notes," Schiffreen told *The Jerusalem Post*.

"I didn't change anything, of course. I simply read the files, logged off and called British Telecom. I wanted to tell them how low their computer security systems were, to explain to them how I had broken in so that they could institute a more secure procedure."

DAVID HOROVITZ
London



"Somebody broke my code"

of signature. But British Telecom is still pursuing the case, seeking leave now to appeal to the House of Lords.

Schiffreen is none too bothered. "If they win there, I'll take the case to the European courts."

He is more concerned by British Telecom's attitude to the case, which he feels typifies that of too many companies using computers extensively. "They seem to have so little concern for the security of their files, and often a few letters or numbers can allow you access to the most confidential information."

"Travel agents, banks and offices leave these access codes written all over the place—stuck on walls, noticeboards and desks—often in full view of the public."

"Once you know these codes, you can start moving money in and out of bank accounts, purchasing air tickets, the sky's the limit."

Since his series of court appearances, Schiffreen has given up much of his home experimenting, knowing that "it's just too dangerous for me to get involved in anything controversial now."

He is, however, helping to make a video film on computer security, and is ready to advise any companies on steps to make their memory banks less easily accessible. British Telecom have not yet been on the phone.

He doesn't know whether the Duke of Edinburgh, husband of the British monarch, is aware that another reader has been into his computer library. "They charged me with breaking into the other, boring files, because if they had used his, he would have had to come to court to testify."

"And that might have presented a conflict of interest. After all, it was his wife who was prosecuting me."

TRACK AND FIELD

Lewis, Drechler search for gold in Rome

ROME (Reuter).—Three years ago, on a warm Los Angeles night, Carl Lewis draped himself in a U.S. flag and jogged slowly around the running track at the Coliseum as a capacity crowd rose to pay homage.

Lewis was the unchallenged king of the 1984 Olympics. He had swept to victories in the 100 and 200 metres, the long jump and then anchored the American team to victory and a world record in the 4 x 100 metres relay.

No other athlete had come remotely close to matching this achievement since Jesse Owens won four golds in the 1936 Olympics.

But, on Saturday, when the Rome World Championships start, Lewis faces the supreme challenge of his career. Three years can be an eternity in sport, and Lewis, now 26, has two formidable opponents determined to knock him off his pedestal.

When Lewis won the Olympic 100 metres title by a record margin, few noticed the powerful Canadian, who finished third and denied the United States a clean sweep of the medals. In the past 18 months, however, Ben Johnson has exploded to the forefront of world sprinting. He starts clear favourite for the gold medal here.

Last year he beat Lewis comprehensively in their only three clashes, clocking 9.95 at the Moscow Goodwill Games. He equalled that mark in Cologne this month and then ran an even more impressive 9.97 against a head wind of 1.2 metres in the Zurich Grand Prix.

Johnson has the torso of a weight-lifter, the shaven head of a swimmer and a fierce determination to be-



GOLD COLLECTOR.—Carl Lewis prepares for Rome

(Reuter)

come world champion.

He also has his gaze firmly fixed on Calvin Smith's world record of 9.93, set at high altitude four years ago, and the extra stimulus of the World Championships could provide just the incentive needed.

But Lewis has no intention of lightly relinquishing his world title, one of three he gathered in Helsinki four years ago.

Few sporting spectacles have the potential excitement of the Lewis-Johnson clash, with the smooth

acceleration of Lewis pitted against the explosive power of Johnson.

Despite his achievements on the track, Lewis' favourite event remains the long jump, and he plans to concentrate here on adding to his reputation as the greatest long jumper in history.

Before this year, Lewis looked the only athlete capable of breaking Bob Beamon's 8.90 metres world record set at the high altitude of Mexico City in 1968.

Lewis believes he can break Beamon's mark here, even though he is not top of the world listings this year. That distinction belongs to Robert Emmiyan, an unassuming athlete from Soviet Armenia, who jumped 8.86 last May.

Emmiyan's feat was recorded at high altitude, but his coach and other Soviet specialists believe a little more speed in the run-up and a few minor technical adjustments could see him jump over nine metres.

His enormous potential means that Lewis will not have the luxury of sitting out his final four jumps as he did in Los Angeles.

While Lewis' clashes grip the imagination in advance, other great stars will delight the 80,000 spectators in the Coliseum and the billion viewers around the globe. Moroccan triple world record holder Said Aoudia is determined to set new marks. Ed Moses will be out to average—again—his one dozen in many years in the 400m, hurdles by fellow-American Danny Harris, whom Moses has beaten twice.

Stunningly charming and abundantly gifted East German star Heide Drechler hopes to emulate among the women Lewis' Los Angeles feat among the men—she has every chance of collecting gold medals in the 100m, 200m, long jump and women's relay.

Delay Thompson's decision preparations are shrouded in mystery. But one thing is abundantly clear—the Olympic and world champion will provide high drama in Rome.

BASEBALL

Tigers provide den for pitchers

NEW YORK (AP).—A pair of pitchers who started the season without a home in the major leagues have found places to call their own with the first-place Detroit Tigers.

Doyle Alexander beat Minnesota for the second time in a week with exceptional relief help from Mike Henneman as Detroit took the Twins 5-4 in a match-up of American League leaders at the Metrodome.

The Tigers stayed two percentage points ahead of Toronto in the AL East, while Minnesota, who have lost seven of their last eight, saw their lead over Oakland trimmed to one game.

Alexander, who sat out the first month of the season as a free agent and was acquired August 12 in a trade with Atlanta, gave up four runs on seven hits in 7½ innings.

Henneman has replaced Willie Hernandez as the Tigers' bullpen stopper, and his consistent outings have helped Detroit surge into first place and stay there.

Blue Jays 6, Mariner 3
Fred McGriff went 3-for-3 with a homer and drove in three runs and Lloyd Moseby hit a long home run at the Kingdome. He singled in the third, and Moseby hit his 22nd home run into the third deck in right field.

Only five players have reached that spot this season, and Moseby has done it three times in his career, the most among visiting players.

Angels 5, Yankees 1
John Candelaria scattered six hits in

eight shutout innings and host California took advantage of a sixth-inning error to beat New York.

Candelaria, 7-5, struck out six and walked one. Greg Minton pitched the ninth and allowed a run.

NATLAL LEAGUE
Mike Dunne pitched a two-hitter for his first major-league shutout and Johnny Ray's first-inning single drove in the game's only run as host Pittsburgh defeated Cincinnati, extending the Reds' losing streak to five games.

Dunne, 8-5, did not allow a runner past second base, striking out seven and walking one, as the Reds fell to 63-64, the first time they have been under .500 this season.

Dodgers 3, Mets 1
Fernando Valenzuela pitched a four-hitter, struck out 13, and pitched a complete game despite walking eight as Los Angeles beat New York at Shea Stadium. Valenzuela, 11-11, tied his career high for walks in a game.

Cardinals 7, Astros 1
Rookie Lance Johnson and Vince Coleman each tripled to key a two-run second inning and Jack Clark doubled to drive in his 100th run of the season, leading St. Louis over visiting Houston.

The victory moved first-place St. Louis 4½ games ahead of second-place New York in the NL East.

Padres 5, Expos 1
Stan Jefferson and Benito Santiago each homered to highlight a

five-run third inning as host San Diego defeated Montreal.

Mark Grant, 4-7, pitched five-hit ball for 7½ innings for the victory.

AMERICAN LEAGUE EAST

	W	L	Pct.	GB
Detroit	74	50	.597	—
Toronto	71	53	.570	3½
New York	71	55	.563	4
Minnesota	67	58	.536	7½
Boston	61	64	.489	13½
Baltimore	57	69	.452	18
Cleveland	48	78	.381	27

WESTERN DIVISION

	W	L	Pct.	GB
Minnesota	67	61	.521	—
Oakland	65	61	.516	1
California	63	64	.496	3½
Kansas City	61	64	.488	4½
Texas	60	69	.464	10
Seattle	59	67	.468	7
Chicago	52	73	.416	13½

TUESDAY'S GAMES: Oakland 9, Baltimore 7; Boston 7, Chicago 3; Detroit 5, Minnesota 4; Texas 15, Kansas City 8; Milwaukee 10, Cleveland 9; California 5, New York 1; Toronto 6, Seattle 3

NATIONAL LEAGUE EAST

	W	L	Pct.	GB
St. Louis	74	51	.592	—
New York	71	53	.570	3½
Philadelphia	68	56	.548	5½
Pittsburgh	66	60	.524	8½
Atlanta	62	64	.492	12½
San Diego	55	71	.437	19½

WESTERN DIVISION

	W	L	Pct.	GB
San Francisco	66	60	.524	—
Houston	65	60	.520	½
Cincinnati	63	63	.500	3
Los Angeles	62	64	.492	4
Atlanta	55	69	.444	10
Los Angeles	55	70	.440	10½
San Diego	51	73	.411	14

TUESDAY'S GAMES: Los Angeles 3, New York 1; San Francisco 3, Philadelphia 2; Pittsburgh 1, Cincinnati 8; St. Louis 7, Houston 1; San Diego 5, Montreal 1; Atlanta at Chicago, postponed due to rain.

CRICKET

Lancs surprise, Notts stay clear

LONDON (AFP).—Patrick Patterson blasted Lancashire to second place in the County Championship by skittling Warwickshire at Edgbaston on Tuesday.

The West Indian paceman grabbed six for 40 at Warwickshire, needing 136 to win on an awkward, drying pitch, were bowled out for 110.

Hampshire and Gloucestershire joined Lancashire on the winning side, as the best of the weather confined itself to the west of the country.

Alan Boucher was awarded his county cap after helping steer Gloucestershire to their third championship win of the season—a seven-wicket defeat of Worcestershire at North.

The former Surrey and England opener followed his first innings 136 not out with 59, and

shared in a stand of 88 in 20 overs with Matthew Maynard (88 not out).

Leaders Nottinghamshire were outclassed by Gloucestershire at Trent Bridge, but escaped with a draw after being forced to follow on.

On a rain affected wicket—the final day's play had not begun until early afternoon—Notts barely had time to start their second innings and were 46 for 60 wicket at the close.

Notts' championship rivals Northamptonshire failed to pick up even one bonus point as their game against Middlesex at Wellington was abandoned because of the rain. The game at Derby (Derbyshire v. Essex) and Here (Sussex v. Surrey) also fell victim to the weather.

	P	W	L	D	T	Pts.
Notts	20	7	1	12	0	234
Lancashire	20	6	4	10	0	204
Northants	19	7	1	11	0	241
Yorkshire	22	6	3	13	0	195
Leinster	19	6	3	10	0	144
Hampshire	20	5	3	12	0	180
Surrey	18	4	5	13	0	174
Derbyshire	19	4	5	9	1	166
Gloucestershire	20	5	3	14	0	163
Worcestershire	20	3	3	14	0	148
Essex	21	2	1	18	0	150
Somerset	21	2	1	18	0	148
Gloucestershire	20	3	5	12	0	144
Kent	20	2	4	14	0	131
Warwickshire	20	1	7	12	0	111
Nottinghamshire	20	1	7	12	0	106
Sussex	20	1	6	13	0	104

NOTES

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BASKETBALL

Largey fun

Post Sports Staff
TEL AVIV.—In a light-hearted testimonial game, at the Ussishkin Stadium here, in honour of Mike Largey, the former captain of Hapoel Tel Aviv, the Israeli national team defeated Hapoel Tel Aviv 100-89 (44-45). The game was noteworthy more for good fellowship between the players than for determined and dedicated basketball.

For the Israeli team, Jamchee scored 27 points, Lassoff 20, Mercer and Henfield 16 each. For Hapoel Tel Aviv, Townes scored 25, Frishman and Amos 17 each.

Mike Largey himself contributed no fewer—and no more—than three points. But he scored these in great style—he came from a very long throw. He was on the court for just over ten minutes.

SPORTOTO GUIDE

	Single	Parm
1. Arsenal v Portsmouth	1	1
2. Chelsea v Middlesbrough	1	1
3. Chelsea v Luton	1	1
4. Coventry v Liverpool	1	1
5. Derby v Wimbledon	1	1
6. Everton v Sheffield W.	1	1
7. Newcastle v Nottm F.	1	1
8. Queens v QPR	1	1
9. Watford v Tottenham	1	1
10. West Ham v Norwich	1	1
11. Hull v Aston Villa	1	1
12. Ipswich v Stoke	1	1
13. Leicester v Millwall	1	1
14. West Brom v Swindon	1	1

TENNIS AT RYE

Marc Flur beat Alex Antonitsch 6-1, 6-4; Marty Davis beat Marko Ostojic 6-4, 7-5; Sanchez beat Jeff Klaparski 6-1, 6-2; Dan Goldie beat Darren Cahill 6-2, 6-2; Andrei Chumakov beat Barry Mohr 7-5, 2-6, 6-3; John Ross beat Jaime Yagüe 6-3, 6-2; Eddie Edwards beat Martin Wostenholme 6-4, 7-5.

HOCKEY

MOSCOW.—England finished on top of pool A in the fifth European Hockey Championship after their 2-0 victory over the Netherlands here yesterday.

Notice to Electricity Consumers

In order to streamline our payments collection system and reduce our bank charges, in respect of account payments made through the banks, we have negotiated changes in the terms of our agreements with the banks, regarding the payment of accounts at teller counters.

The effect of these changes will be to reduce the costs involved in the payment of electricity accounts, and improve the reliability of the data we receive from the banks.

We regret that only some of the banks have agreed to adopt the new arrangement.

Accordingly, effective September 1, 1987, electricity accounts can be paid at teller counters, only at all branches of the following banks:

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First International Bank Ltd.
United Mizrahi Bank Ltd.
Barclays Discount Bank Ltd.
Israel Bank of Agriculture Ltd.
Mitsbank Bank of Israel Ltd.
Postal Agudat Vitebank Ltd.
Kopet Agudat Vitebank, Petah Tikva, Ltd.

Car-price plan delayed

By AVI TEMKIN
and JONATHAN KARP
Post Economic Staff

The Treasury is holding up the sale of 1988-model cars by refusing to approve the new, higher prices for them until after the gap in taxes between personal-import cars and those purchased from importers is closed, Treasury Director-General Emmanuel Sharon said yesterday.

Currently taxes on personal-imported cars are higher than those purchased at a dealer.

The Treasury said it would approve the 5 to 10 per cent hike in prices after the personal-import companies have had a chance to compete with regular dealers. The ministry added that after the personal-import schemes have begun to successfully compete it would lift price controls on new cars altogether.

The ministry added that the list of car prices which was published by the dealers did not include 15 per cent value-added tax and 6 per cent compulsory deposit. The deposit will go down to 3 per cent in October and to nil in January.

The importers yesterday said they were surprised by the news that the formal approval of the price list had been delayed by the Finance Ministry. "The Transport Minister already approved the new prices, and suddenly the Finance Minister says wait," Shlomo Arad, general manager of the Fiat importer, said.

He did not feel threatened by talk of lowering personal import taxes. "First of all, Fiat is large enough, and second the change in personal imports will not lower the prices. There's already a lot of competition," Arad said.

The Transport Ministry, which approved the new price list on Tuesday, seemed more anxious than the importers upon hearing of the unexpected delay in the Treasury.

The ministry spokesman claimed that Transport was not notified about the Treasury's discussion about lowering taxes, but he added strongly, "They will have to speak with us" in order to implement any new plan.

Regardless of what happens to personal imports, the price list for 1988 models bought through the country's 18 importers is not likely to be changed. West German and British cars will become relatively more expensive, as their currencies appreciated the most against the U.S. dollar last year.

Smaller rises and even a few price drops will be seen in French, Italian and Japanese cars. Prices for Spanish cars will initially rise by 9-10 per cent, but much of this will be eliminated when Spain and Israel sign a new tariff agreement.

SELECTED 1988 PRICES

Model	New Price (NIS)	Change from last year
Alfa Romeo 33 1.5	40,772	UA
Alfa Romeo Sprint 1.3	32,661	UA
Audi 80 (1,300cc, 4 dr)	45,605	+4,900
Austin Metro (1,300cc, 5 dr)	21,785	+2,956
Audiobianchi Y10 Fire	20,640	+650
BMW 318 (1,573cc)	44,354	+2,370
Citroen BX 16 RS	33,605	UA
Citroen BX 16 THS	35,392	+2,150
Citroen Visa	26,406	UA
Dacia Berlina	14,280	First year
Fiat Uno 45 (5 dr)	23,995	+1,945
Fiat Uno 70	27,485	UA
Ford Escort 1.3	37,290	+2,325
Ford Fiesta Popular 1.1	27,390	+3,070
Ford Sierra GL 1.6	42,480	+6,500
Opel Ascona (1,600cc)	43,980	+2,845
Pugeot 205 GL	27,190	+2,499
Renault 5 Super TL (5 dr)	25,450	+1,586
Renault 5 Sprinter GTC (5 dr)	27,338	UA
Renault 11 Sporting GTL (1,400cc)	29,300	+680
Seat Malaga GL (1,200cc)	26,900	+2,000
Subaru DL 1300	28,705	-415
Subaru DL 1600	33,330	-480
Suzuki Sprint (5 dr)	23,986	UA
Volkswagen Golf (1,300cc, 5 dr)	39,206	UA
Volkswagen Golf (1,600cc, 5 dr)	41,222	UA
Volkswagen Polo (1,300cc)	29,813	UA

Prices include value-added tax (15 per cent) and the deposit (6 per cent), which is scheduled to drop by half October 1. UA = Unavailable.

Doubts about Delta

By JONATHAN KARP
For The Jerusalem Post

TEL AVIV. — The Finance Ministry's current debate over lowering taxes on cars brought in as personal imports concerns every model except the Delta, which is due to become the newest, as well as the cheapest, entry into the Israeli car market.

Though the Transport Ministry recently granted Kaiser Ilin Ltd. permission to import the Romanian-built car, the ministry has for the time being banned individuals or third-party agencies from bringing the Delta into the country.

"We can't allow it," a ministry spokeswoman said yesterday. "In the past, there were many mechanical problems with this car, and we gave permission to import it only after the company agreed to meet our standards."

Wary after two previous importers failed to market the Delta in Israel, the Transport Ministry made a host of demands of Kaiser Ilin: different tires, new front and rear bumpers, better head rests, more durable paint and a more modern engine fan, to name a few. The company also promised to extend the warranty to two years or 30,000 kilometers.

"The personal imports, on the other hand, might not hold up to

these standards," the spokeswoman said.

But despite newspaper advertisements proclaiming the official ban on personal imports of the Delta that appeared this week, at least one agency is offering to bring the car in from Belgium for NIS 13,900, or a few hundred shekels cheaper than the authorized importer's price (see table above). A sales representative at the Aris agency told *The Jerusalem Post* that several people had ordered the car and the next available delivery date was December.

"We're not worried about the Transport Ministry's decision. We have talked to them," she said. She would not explain what she meant, but was insistent on that point.

When pressed about the legality of her venture, she grew indignant, and when asked about details of her agency's warranty, she refused to answer. Wouldn't she want to give such details to prospective buyers, she was asked? "We don't sell to *The Jerusalem Post*," was her response.

The Transport Ministry spokeswoman said nothing could be done against the agency until its first Delta arrived at an Israeli port. "Anyone who brings it in as a personal import will have to put it right back on the boat," she said.

FINE PRINT/ Shlomo Maoz

Hold on to that mortgage

In coming weeks the mortgage banks will be sending "an attractive offer" that is supposed to help you wisely employ the money you are going to get from bank shares' redemption. Backed by the Treasury, the mortgage banks are to offer a special scheme to families who have received government-subsidized home loans. The Treasury estimates that the public owes about NIS 3 billion-4 b. — loans taken to finance the purchase of flats that have not yet been paid off.

The idea behind the new offer is quite simple: To tempt you to use the extra money the bank shares redemption will give you to pay back your government mortgage, without losing the sweet, subsidized feature of the loan. In doing so, the government hopes to absorb part of the \$1.2b. that it is obligated to pay under the "arrangement" bank shares scheme.

The Treasury says the offer, which will be made in the last quarter of the year, will only be available to those who took unlinked or indexed loans carrying interest rates of up to 4 per cent. The Treasury is offering a 5 per cent reduction in the amount to be paid back, which is the shadow price of investing in indexed government bonds. That comes, of course, on top of compensating you for giving up the original subsidy.

Is it worthwhile? The hidden assumption in this calculation is that the holder of bank shares due for redemption will soon have extra money in his hands and has yet to devise any constructive way of utilizing it. All he wants is to protect his investment in government bonds. But it is advisable to carefully examine the Treasury offer.

First, buying government or other bonds, even when they bear lower interest, preserves your liquidity — the ability to sell the bonds the minute you need the money. By accepting the mortgage offer, you lose that important character of your investment. Second, you should bear in mind that the Treasury has only taken into account the current long-term credit rate but you shouldn't.

Since the capital market is still effectively nationalized and the rest is operated by a virtual cartel of banks, interest on debts is two-and-a-half times that for long-term linked loans. So, while for the Treasury the money can earn 5 per cent for you, for you it could be easily as much as 12.5 per cent — the cost of borrowing. So let's say that not now, but some months or years from now, you need some money to buy real estate or to help your children. You will find yourself not only paying interest well in excess of the discount you got from the Treasury but also paying for the guarantee.

By putting your money into government bonds rather than paying back your mortgage, you actually have a range of alternative interest rates of between 5 per cent (the current yield on the bonds) and 12.5 per cent (the cost of borrowing), which is automatically higher than what is offered.

From the government's point of view, there are other advantages to the mortgage programme that won't accrue to you as a consumer. The banks and the government are saving the expense of maintaining the bureaucracy needed to oversee the monthly mortgage payments. If you agree to repay your entire mortgage at once, you should be compensated by the government or the banks for the savings they gain, the same way as in the past when the banks gave up small, unlinked mortgages because it was cheaper for them this way.

Don't hurry, wait for the Treasury to offer a better scheme.

THE TAX BURDEN/Jeff Broide

Recent decisions

Here are some tax-related questions and answers, provided by recent tax court rulings:

PRE-PAID RENTAL INCOME: The company, whose basis of accounting was an accrual one — that is, it reported its income and expenditure on the basis of income and expenses actually earned or incurred — received income from the rental of industrial buildings in advance. During the tax year in question the assessing officer did not accept the income reported on the accrual basis — that is, rental income that was actually due — but added rental income received during the tax year and not declared for tax purposes, as it constituted income received in advance. Here the assessing officer based his ruling on Section 8B of the Income Tax Ordinance, which permits him to include income received from rental as the income of the taxpayer in the tax year in which the income is received, irrespective of whether the income is prepaid or not.

Believe it or not, a person paying the tip is obligated by law to deduct withholding taxes and pay them over to the tax authorities.

The company objected to this, maintaining that its rental income constituted business income in terms of Section 2 [1] of the ordinance and not rental income as defined. In other words, the rental income earned by the company was regular business income although the company was not in the business of property rental as such. The assessing officer, however, was of the opinion that the rental income should not be treated as regular income from a business.

The company did, in fact, convince the court that it was carrying on the business of property rental, which constituted, in effect, a business. But, despite this, the judge ruled against the company in the appeal in the local Tel Aviv court. In his opinion, Section 8B of the Income Tax Ordinance allows the assessing officer to include income received in advance from rentals in the tax year in which the income is received. This applies to rental incomes received in the framework of "business" and not only in terms of the sections dealing with income from rentals as indicated in Section 8B. The judge dismissed the opinion that business income could not be treated as arising from more than one source and held that if it was possible to classify the income according to two different sections in the law, then it was possible to attribute it to each of these sections. This, of course, is also based on certain High Court rulings.

The judge held that if he were to accept the stand of the company, then there would be no economic logic to Section 8B, because most businesses, in fact, report on the accrual basis. However, businesses whose income is mainly from rentals, in fact, report on a cash basis and, therefore, income received in advance is automatically treated as income in the tax year. The court, therefore, accepted the ruling of the assessing officer in adjusting the taxable income by adding back income received in advance.

TIPPING WAITERS: In a recent case before the courts, the books of account at a restaurant were disqualified because of the way tips to the waiters were dealt with.

The sales at the restaurant were recorded in the cash register at approximately 10 per cent below the real prices, or amounts received from the customers. The

restaurant's proprietor maintained that the difference arose from the tips that were paid to the waiters. As he explained it, the waiter gave in the cheque from his customer to the cashier, who then recorded the sale and refunded the 10 per cent in cash to the waiter. In the process recording only the net amount received from the customer. The court ruled that not recording the full amount of the cheque constituted a violation of the laws governing the proper books of account and that the tax authorities were, therefore, justified in invalidating the restaurant's books.

It is interesting to note that the income earned by the waiter from tipping is rather complicated tax-wise because it constitutes salary income in his hands. Believe it or not, a person paying the tip is obligated by law to deduct withholding taxes and pay them over to the tax authorities. This, of course, would be absurd. Therefore, the tax authorities treat the waiter as an independent taxpayer and require him to report annually such income and pay the taxes due.

This is yet another example of the complicated tax framework that so often creates anomalies virtually impossible to live by. Here, of course, where the restaurant owner acted in good faith, nonetheless he may well find himself paying fines of 1 per cent of his turnover for the entire year to the value-added-tax authorities, as well as paying higher tax rates for not maintaining proper books of account and numerous other sanctions which we have dealt with in previous articles.

ARCHITECTURE AS "BUILDING": A company of architects and engineers, specializing in residential homes, was of the opinion that their work constituted building or planning for buildings for residential purposes and therefore there was no need to pay the employer's tax (currently 4 per cent, previously 7 per cent) on salaries. The court held that architecture was a liberal profession and that the work of an architect was a service to those involved in building. But, the court said, it did not constitute part of the building construction itself; it was, in fact, a separate aspect of the work of building. The very fact that the work of the architect is very closely linked to the planning stage of the building and that 90 per cent of the company's work was in this field does not convert the firm into a building company, the same way that it is impossible to build without transport of the building materials but this does not convert a transport company into one that is involved in the work or preparatory work of building.

The judge referred to the intention of the lawmaker as expressed in the original proposed law, which was to encourage fields such as industry, building and tourism and not the services. Therefore, allowing an architecture firm to enjoy similar benefits would contradict the very intention of the legislator. In addition, the judge said, when the legislator wanted to encourage certain fields related to construction, but without which it would not be possible to build, these were specifically mentioned, such as excavating road pavement, certain road and stone work, and such like.

As the question of the exemption from employer's taxes on salaries is often raised by architects, this is once more a fairly decisive answer by the courts against allowing them to enjoy this exemption. It is interesting to note, however, that in certain quarters in the Treasury there are rumours that there are plans to do away with this tax. (Wishful thinking, perhaps!)

The writer is a Certified Public Accountant (Israel). Questions may be addressed to him c/o The Jerusalem Post.

Japanese banks aid Bankamerica

TOKYO (Reuters). — Japanese banks have agreed to help Bankamerica rebuild its shattered finances, 40 years after it helped them rise from the ruins of Japan's war economy.

A group of nine banks decided at a meeting yesterday to buy \$130 million worth of notes, which the U.S. bank intends to issue to build up its capital base, Japanese bankers said.

Bankamerica Vice-Chairman Frank Newman came to Japan last June and made a personal appeal to Japanese financial institutions to help his bank, which fell on hard times after it expanded too fast and found itself with too many bad loans.

Some banks had objected to the plan. But with U.S.-Japan trade relations so sensitive, and with Bankamerica's help to Japan after World War II still in the minds of older bankers, the banks came up with the money.

The bankers said they expected to sign a contract with Bankamerica by the end of September.

The decision by the central coordinating group is expected to encourage other Japanese banks to come forward to buy another \$120m. of subordinated capital notes included in Bankamerica's capital reconstruction plans.

The U.S. bank is also asking major Japanese insurance firms to buy \$100m. of its preferred stock.

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Magen David Adom.

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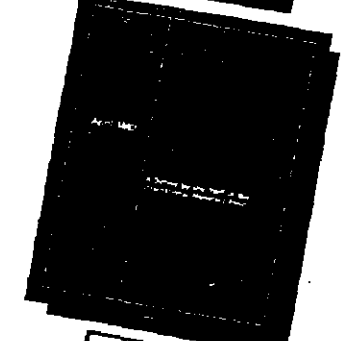
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CROSSWORD

ACROSS

- Farmer upset in job—this ground will not thaw (10)
- Master whaler from Omaha boatyard (4)
- Charm of male boss elephant (5-5)
- Gallery opening (4)
- Cautious with high explosive incorrectly fused (7)
- A working sum at sea (6)
- Market community? (6)
- Devilish Lethe mishap open to translation (15)
- Blood factor in outside wild beasts (6)
- Guardian spirits behind the scenes (6)

- Official command of guy with appointment (7)
- Nothing to write about in golf tournament (4)
- Ceylon grass thrown into cellar (10)
- Direction of Tom Brown's chum (4)
- Man's first to finish odd antics of beggars (10)

DOWN

- Ostentation of doctor coming up in twopenny case (4)
- Frost the ancient mariner was in (4)
- Bird at cove is wild (6)
- Hard sound louder, perhaps, when stooped? (5-10)

5 Humble membership fee outstanding (6)

- It can prove that blood is thicker than water (10)
- Beer with head on it causes acidity (10)
- Firmly impress point of tool-box for example (6,4)
- Droopy condition of firs in disasters, say (10)
- Former holiness of bad actor around bathing-beach (7)
- Swiss water-grass (7)
- As salty as aliens out of control (6)
- Carrying no stress, but needing a pick-me-up paradoxically (6)
- One short of ordinary design (4)
- Classic trees (4)

Yesterday's Solution

REMEMORATION
ULULANT MALISE
BURNABAM BLAIS
TENTOBLE GCB
VENTURE TEALAE
E R R J
CABINET CHARGE
H R S A L T O E
AXIS DINAR GULL
N T O L S M R T
CHALICE HEADMAN
B I N V E N T E B
I N C I N D E N T

QUICK SOLUTION

ACROSS: 1 Chess, 4 Sheer, 10 Draught, 11 Climb, 12 Rhyme, 13 Eastern, 15 Newt, 17 Theta, 19 Ovary, 22 Rime, 25 Lincoln, 27 Razor, 29 Class, 30 Routine, 31 Kyoto, 32 Valet. DOWN: 2 Heavy, 3 Segment, 5 Hacks, 6 Eminent, 7 Adorn, 8 Stew, 9 Ebony, 14 Atom, 16 Earl, 18 Hungary, 20 Verruca, 21 Slick, 23 Inert, 24 Grief, 26 Onset, 28 Zaire.

QUICK CROSSWORD

ACROSS

- Moderately hot
- Of heraldic arms
- West Indian dance
- Abashed
- Japanese Buddhist sect
- Enlightenment
- Young swan
- Marsh
- Calculating device (5-4)
- Terminate
- Perform in an exalted way
- Recreation
- Winsome
- Comply with

DOWN

- Dance
- Spirit
- Sanity
- The Moor of Venice
- Without delay
- Account-books
- Deride
- Conceal
- Unmolested (4-5)
- Humble deception (5-4)
- Muslim ruler
- Simple
- Song
- Circle

Steel City charged with unfair trade

By JEFF BLACK
For The Jerusalem Post

The Hissadrut's Koor Industries Ltd. yesterday suffered another blow at the hands of the Industry and Trade Ministry, which filed charges against Koor's Steel City subsidiary for making illegal agreements with the steel buyers' organization.

Ze'ev Galmor, the ministry's official in charge of preventing unfair business practices, accused Steel City, or United Steel Mills Ltd., of setting up an arrangement with the steel buyers' organization under which the latter agreed to buy their steel exclusively from the Steel City. In return, the buyers received a discount on their purchases.

The arrangement was in force from March 1985 until September 1986, according to Galmor.

Along with Steel City and its general manager, Uri Bar-Ratson, the steel buyers' organization and six of its members were also included on

the charge sheet presented to the Tel Aviv Magistrate's Court.

Galmor pointed out last night that the arrangement prevented free competition between Steel City and the country's two other steel makers. The indictment also makes mention of the case of a steel buyer from the Haifa Bay area who was refused a discount similar to the one enjoyed by members of the organization because he would not agree to buy exclusively from Steel City.

But Galmor stated that the indictment did not originate from a complaint by this buyer; he said his department operated by investigating its own suspicions.

Earlier this week, a separate department of the Industry and Trade Ministry ignored Hissadrut opposition to Tempo Beer Industries' reconstruction of a quest to build a bottle factory in Dimona. The Tempo factory will end the labour federation-owned Phoenicia Ltd.'s monopoly.

Threaten violence

Ron Carmel staff raises stakes

HAIFA. - The 119 workers of the Ron Carmel Industries factory yesterday threatened violence in a bid to prevent parent company Urdan Industries Ltd. from closing the plant.

"We have learned the lesson of Soltam. Force is the only language that gets you a hearing," the head of the metals plants' works committee, Massoud Elimelech, told a press conference. The workers' 13-day long sit-in at the plant, which began after they were issued dismissal notices, had yielded no results and they now intended escalating the fight for their jobs, he said.

He was speaking after Haifa District Labour Court Judge Eliezer Kanfi told the two sides to start negotiations on the issue. To give them time to do so, he adjourned until

next Thursday a hearing sought by the Haifa Labour Council in connection with an appeal to declare the dismissals illegal. The council argues that management did not follow the proper procedures laid down in their work contracts.

Judge Kanfi urged the two sides to exploit the week's grace to work out a mutual settlement. However, management has indicated that it is determined to shut the factory, which is losing money.

Immediately after the adjournment management went to the magistrates' court and obtained a permanent vacating order against the workers on the ground they had been defying a temporary order issued by the court when the sit-in began.

But Elimelech said the workers

had no intention of vacating the factory and would intensify their struggle "because our quiet protest has got us nowhere."

Meanwhile, Soltam Ltd.'s 1,030 workers were issued questionnaires on their individual choice of the alternatives offered to them for the four-month period the factory is to be closed, starting September 1.

During the four months only the civilian production line will continue to be operated by 300-400 of the workers. The others have the choice of resigning, taking early retirement, reduced-pay holiday or attending retraining courses at reduced pay. Meanwhile, the owners, Koor Ltd., will attempt to market Soltam's unsold stock of \$85 million in military hardware and obtain new orders.

NCR Corp. fined for joining Arab boycott

WASHINGTON (APF). - The U.S. Commerce Department said Tuesday it had imposed its largest fine so far on any U.S. corporation for allegedly complying with an Arab boycott of trade with Israel.

The department said it had fined NCR Corp. \$381,000 on charges of complying with the Arab League boycott of Israel through nine subsidiary companies. Such compliance is in violation of the U.S. Export Administration Act.

A statement issued by the department said Ohio-based NCR had agreed to the negotiated settlement and had voluntarily disclosed the 266 alleged violations said to have been

committed by its nine subsidiaries between 1982 and 1985.

The Arab League - whose membership includes Bahrain, Kuwait, Libya, Oman and Saudi Arabia - operates a boycott of goods and services from Israel and maintains a blacklist of companies and people trading with the Jewish state.

The subsidiaries named by the Commerce Department are NCR North Africa Ltd., NCR Cyprus Ltd., NCR Dubai, NCR Oman, NCR Abu Dhabi, NCR G.M.B.H. Spare Parts and NCR G.M.B.H. Finished Goods Centre of West Germany, NCR France S.A., and NCR Switzerland.

Taxed on lost valuables

Heist victims stand to be fleeced again

By AVI TEMKIN
Post Economic Reporter

Victims of the 1985 bank safe heist at Bank Hapoalim's main Jerusalem branch could wind up losing not only the entire worth of their belongings in the safe, but paying a tax of 10 per cent or more on the value of their lost possessions.

On February 3, 1985 some 175 safe deposit boxes filled with millions of dollars of cash and valuables were emptied in the burglary. Under the terms of an agreement signed last February between the victims' attorneys and the bank, those able to prove what they had in their safe deposit boxes received compensation equal to 50 per cent of the value.

But on court instructions, the victims' attorneys were forced to hand over to the income tax authorities all the information pertaining to the contents of those safe boxes. The information was received by officials a few days ago, and now they are combing through it.

Income Tax Commissioner Yair Rabinovitch told The Jerusalem Post Tuesday that the information about the safe's contents would be added to

the victims' tax files. He said that if there was anything in the data to arouse suspicions about tax evasion, he would launch an investigation into the source of the possessions and whether tax was paid on that income.

Rabinovitch said that in cases where tax-evasion charges were proven, the usual punishment would be meted out: A tax equal to 60 per cent of the worth of the declared possessions. That was the maximum tax rate in force at the time of the robbery.

Thus, in addition to the 50 per cent already lost, the hapless victims could be paying a sum equal to another 60 per cent of their lost possessions, bringing the total to 110 per cent.

And the ordeal of the victims may not be over. On top of the 60 per cent the tax authorities will demand fines, interest and indexation from the proven tax dodgers among the heist victims. The victims will have one consolation: Apparently no charges will be pressed on those who illegally held foreign currency.

Leumi offers long-term, general purpose loans

By PINHAS LANDAU

Bank Leumi yesterday unveiled a series of new, large-scale and long-term consumer loans for individuals and households, which the bank says, represent the first time Israeli bank customers will have access to medium- and long-term capital for purposes other than mortgages.

The loans will be offered at rates that are cheap and affordable by local standards, although extremely high by international standards - even within the context of consumer finance, which is expensive everywhere.

The largest of the new schemes is a loan of between NIS 10,000-60,000 available for up to 12 years. It will cost full index linkage plus 0.9 per cent index-linked interest per month, or 11.35 per cent per annum. This is the current cost of unsubsidized mortgage loans.

Two medium-term loans are also

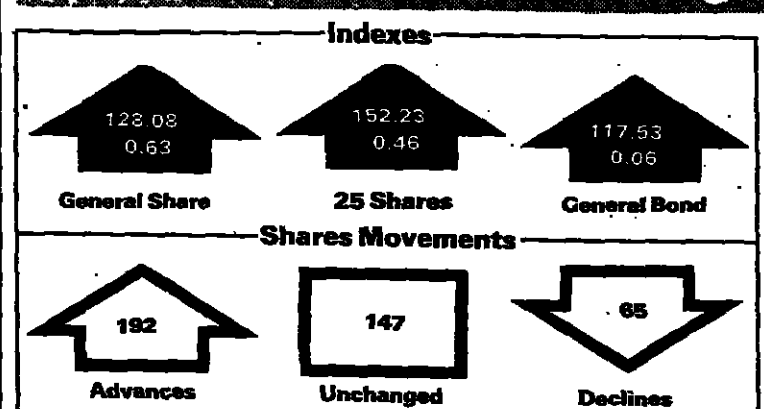
being made available. One will be dollar linked, for amounts between \$7,500 and \$30,000, for up to 6 1/2 years. It will carry interest at the floating rate of London interbank offered rate, or Libor, plus 12 per cent, currently equivalent to 19 per cent per annum.

In both cases, Leumi will accept a mortgage on property for collateral purposes to help clients who do not have sufficient liquid assets to put up against their borrowing.

The other medium-term loan will be index-linked for up to five years, at the same rates as the 12-year loan. It will be offered in amounts between NIS 5,000-30,000 and will be direct at car buyers. It will accept a lien on the borrower's car as collateral.

Repayments in all cases will be in fixed monthly amounts, which will rise in line with the Consumer Price Index.

Tel Aviv Stock Exchange



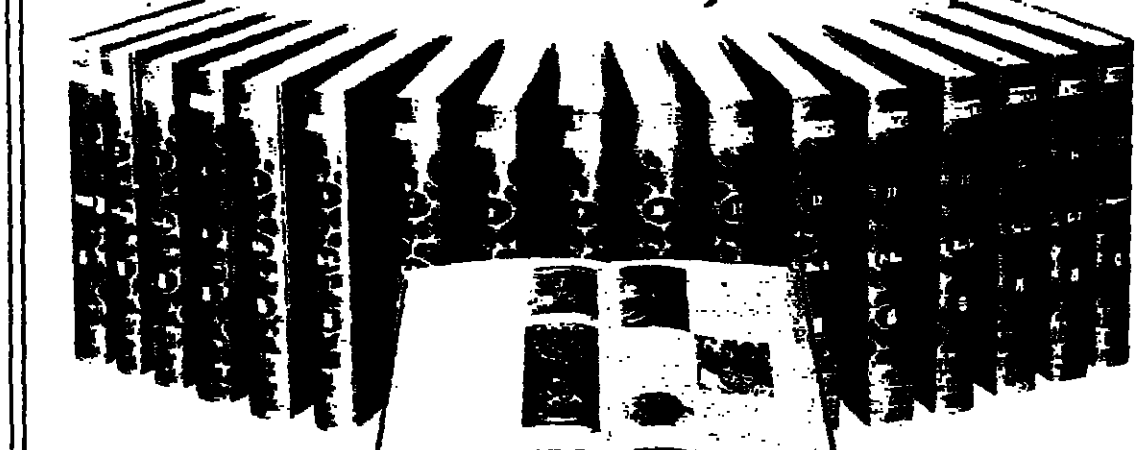
Selected Prices

Name	Price	Volume	% change
Commercial Banks			
Bank Leumi	19400	1940	+0.4
Bank Hapoalim	19200	1920	+0.4
Bank Haheretz	18700	1870	+1.0
Bank Haheretz	8700	870	+1.0
Commercial Banks (cont.)			
Bank Haheretz	10300	1030	+0.4
Bank Haheretz	131300	13130	+0.1
Bank Haheretz	42200	4220	+0.4
Bank Haheretz	80000	8000	+0.4
Bank Haheretz	170000	17000	+0.4
Bank Haheretz	50000	5000	+0.4
Mortgage Banks & Finance			
Bank Haheretz	9700	970	+0.4
Bank Haheretz	2820	282	+0.4
Bank Haheretz	3004	300	+0.4
Bank Haheretz	21200	2120	+0.4
Bank Haheretz	8000	800	+0.4
Bank Haheretz	14400	1440	+0.4
Bank Haheretz	50000	5000	+0.4
Insurance			
Bank Haheretz	1070	107	+0.4
Bank Haheretz	750	75	+0.4
Bank Haheretz	5487	548	+0.4
Bank Haheretz	1220	122	+0.4
Bank Haheretz	370	37	+0.4
Bank Haheretz	1140	114	+0.4
Bank Haheretz	6301	630	+0.4
Trade & Services			
Bank Haheretz	28000	2800	+0.4
Bank Haheretz	870	87	+0.4
Bank Haheretz	855	85	+0.4
Bank Haheretz	676	67	+0.4
Bank Haheretz	1152	115	+0.4
Bank Haheretz	1680	168	+0.4
Bank Haheretz	7080	708	+0.4
Bank Haheretz	2820	282	+0.4
Bank Haheretz	420	42	+0.4
Bank Haheretz	12800	1280	+0.4
Bank Haheretz	730	73	+0.4
Real Estate, Building and Agriculture			
Bank Haheretz	372	37	+0.4
Bank Haheretz	50000	5000	+0.4
Bank Haheretz	42200	4220	+0.4
Bank Haheretz	2701	270	+0.4
Bank Haheretz	8000	800	+0.4
Bank Haheretz	2000	200	+0.4
Bank Haheretz	50000	5000	+0.4
Bank Haheretz	18000	1800	+0.4
Bank Haheretz	3000	300	+0.4
Bank Haheretz	6300	630	+0.4
Bank Haheretz	6772	677	+0.4
Industrials			
Bank Haheretz	1100	110	+0.4
Bank Haheretz	38000	3800	+0.4

25 Shares

Name	Price	Volume	% change
Bank Haheretz	19400	1940	+0.4
Bank Hapoalim	19200	1920	+0.4
Bank Haheretz	18700	1870	+1.0
Bank Haheretz	8700	870	+1.0
Bank Haheretz	10300	1030	+0.4
Bank Haheretz	131300	13130	+0.1
Bank Haheretz	42200	4220	+0.4
Bank Haheretz	80000	8000	+0.4
Bank Haheretz	170000	17000	+0.4
Bank Haheretz	50000	5000	+0.4
Bank Haheretz	9700	970	+0.4
Bank Haheretz	2820	282	+0.4
Bank Haheretz	3004	300	+0.4
Bank Haheretz	21200	2120	+0.4
Bank Haheretz	8000	800	+0.4
Bank Haheretz	14400	1440	+0.4
Bank Haheretz	50000	5000	+0.4
Bank Haheretz	1070	107	+0.4
Bank Haheretz	750	75	+0.4
Bank Haheretz	5487	548	+0.4
Bank Haheretz	1220	122	+0.4
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Bank Haheretz	6301	630	+0.4
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Bank Haheretz	1152	115	+0.4
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The case of Iraq

WERE THEY asked to choose between Iraq and Iran today, most Israelis would doubtless call a plague on both their houses: they are both mortal enemies of this country, and the longer they bleed one another along their common border and in the Gulf, the better.

Pressed a bit further, Israelis would nevertheless tend to express a preference for Iran. For all of Tehran's fearsome threats about "marching on Jerusalem," and the gruesome terrorist record of its anti-Israel Shi'ite minions in Lebanon, Israelis still have a soft spot for the land once ruled by the late Shah. Moslem but not Arab, and modernizing to boot, Iran was, after all, until but eight years ago a friend, almost an ally, of Israel and the Jewish People.

It is thus widely believed, even by supposed experts, to be inconceivable that the great mutual benefits of that now discarded amity should easily be forgotten, particularly by the Iranian military. They, along with like-minded Iranian moderates, should prevail when old Khomeini kicks the bucket and his revolution is shown to have been as ephemeral as it was predicted to be. So runs the received wisdom.

It is this conviction that largely accounts for the continued flow, even if reduced to a trickle, of Israeli arms to Iran after 1979, most recently at America's bidding.

By contrast, wildly radical Iraq remains fixed in the Israeli consciousness as the most ferocious and inveterate foe anywhere of Zionism — as the one Arab country that started fighting Israel back in 1947 and would not even sign an armistice in 1949, that leaped into war again in 1973, and that consistently, for decades, considered the Jewish state fit only for extinction. If Iran is viewed hopefully as a future friend and ally again, Iraq is seen hopelessly as a bitter enemy.

This "conception" of Iraq has helped block out attention, even at higher political levels, to the fact that Baghdad has recently been signalling to Jerusalem a change of its stance, possibly even of attitude, not only towards Egypt and the U.S. but Israel as well.

It has not been a change of heart, certainly. Dictator Saddam Hussein has not become a convert to Zionism, but that did not happen to Anwar Sadat either before he embarked on the journey that led to the making of peace between Egypt and Israel. And just as the late Egyptian president contrived his about-turn on Israel with the U.S. in mind, so President Hussein, too, appears to be indirectly soliciting the goodwill of American Jews so that they will nudge their government away from declared neutrality in the Gulf War and towards partiality for Iraq.

According to one unconfirmed report Iraq might — in desperation, it seems — even agree to peace with Israel, in return for substantial military aid.

The trouble with these signals so far has been their covert, almost clandestine, character. But now that, too, has changed. Iraq is now prepared to go public as hoping that there will be no more wars between the Arabs and Israel, and as being anxious "only" for a "reasonable" — meaning PLO — solution of the Palestinian issue. In fact, Iraq already did go public with these assurances last week.

They were made by its outgoing ambassador to Washington, Nazir Hamdoun, already appointed deputy foreign minister, in an interview reported by the American-Israeli Public Affairs Committee in the August 17 issue of its weekly newsletter, *Near East Report*.

The olive branch extended by Mr. Hamdoun on behalf of his leader would have been rather more impressive had it been flashed a bit earlier, and had it been a trifle meatier. The Iraqi envoy keeps rejecting Camp David as a matter of principle, and he still holds recognition of Israel to be a "bargaining chip" that will be used only when bargaining begins.

But coming from an official Iraqi spokesman, even this little is nothing to sneeze at. It may be — indeed, it plainly is — self-serving, and inspired by tactical considerations. But its ultimate effect could be far-reaching.

At any rate, Iraq's enmity can no longer be taken for granted as no less than Syria's and as far worse than Iran's. The time has come for a reassessment of Israeli policy.

Courageous surgery

MEDICAL HISTORY was not made with the performance of Israel's third heart transplant yesterday — the first at the Hadassah-University Hospital in Jerusalem. The first to acknowledge the fact was Hadassah's own director-general, Prof. Shmuel Penchas, who noted that seven such transplants had already been done in neighbouring Jordan. Just the same, the Hadassah hospital team which underwent meticulous preparations for this most complex surgery ought to be praised for having resumed heart transplants in Israel after over nine years.

The occasion did, however, call for the expression of the hope that the absurd fear and prejudices that until recently have hobbled transplants in general, and have severely limited the number of willing donors, will now be dissipated.

If kudos are due, it is principally to the donee, Ovadia Matzri, who, unlike so many of his compatriots insisted on a heart transplant right at home, and refused to allow his family to try and raise money for it abroad. Mr. Matzri's motive, he said in a recorded pre-surgery interview, was "ideological", which probably means patriotic. But considering merely the high level of expertise and reliability of Israeli doctors and the paltry expense of the operation — about one tenth of the cost abroad — his decision was in any case and without question the right one.

More power, a longer life, to him. And may his example give heart to similar cardiac cases.

CRASH

(Continued from page one)

ing from moderate injuries, was detained in Emek Hospital in Afula.

On Tuesday night an English tourist, Kahan Shem, 75, was killed when the car he was driving collided with a semi-trailer on the Accre-Safad road at the turn-off to Carmel.

Shem's wife and a soldier to whom they had given a lift were badly injured.

The driver of the semi-trailer, whose vehicle hit a pole when he

swerved to try to avoid the accident, was also seriously injured. The Galilee district police spokeswoman said the driver of the car had failed to give way at the junction and turned into the path of the lorry.

A woman was killed and her 19-year-old son was seriously injured yesterday afternoon when the Autoblanchi in which they were driving on the coastal road near Kibbutz Nitzan crashed head-on into an oncoming bus. No one on the bus was hurt.

Police said they were not sure whether the woman or her son was driving.

On the previous evening, a four-year-old girl from Modav Bnei Ayalah near Gedera ran out into the road from between two parked cars, and was critically injured by an oncoming car. (Kin)



Stemming the drop-out rate

Herman Branover

SOVIET JEWRY is going through one of those critical periods of history which will probably determine its fate for years to come. Surprisingly and sadly, this is hardly noticed even in circles directly related to Soviet Jewry activities.

The reason is two-fold. First, more and more individuals complain that they are sick and tired of Soviet Jewry, and are particularly upset that drop-outs deflecting from the route to Israel constitute more than 80 per cent of those getting permission to leave Russia on the basis of affidavits from Israel.

Second, most people perceive the Soviet Jewry problem in terms of 20-year-old clichés and have not the faintest idea of the dynamics of the situation in Russia in general and of the conditions of Jews in particular. All this creates a situation of indifference, passivity and lack of expertise at a moment when deeds are necessary more than ever before.

There are serious reasons to suppose that there are still some three million or more Jews in the USSR, although the official census states less than two million. More than 300,000 have left during the last two decades. Almost 180,000 settled in Israel; the rest went mainly to North America.

Since the middle of the '70s, the drop-out phenomenon has gradually converted Soviet Jewish aliyah into Soviet Jewish emigration. The struggle for exit permission was in danger of becoming stripped of any idealism or real content. Moreover, many of those who went to America assimilated there faster than in Russia.

The drop-out phenomenon is self-amplifying: the more friends and relatives who settle in America, the stronger the incentive for others to go there. But why did the first drop-outs prefer America and reject Israel?

Many arrogant analysts have invented incredible explanations, going so far as to suggest that the Soviet authorities grant exit permission to those who they know will not go to Israel. The real answer, however, is self-evident, even trivial: those

who have a strong Jewish identity come to Israel; those who completely lack this identity have no reason to come, and don't come.

Of course, between those extremes there is a wide "grey area." People belonging to this area are strongly influenced by letters from Israel. Their special concerns are about professional opportunities.

During the 70 years of the Soviet regime (the lifetime of three generations) Jewish values have been destroyed. The initial passion for communist ideals soon evaporated and, escaping spiritual bankruptcy, most young Soviet Jews turned to professional studies. Science, research and academic degrees were especially esteemed.

TAKING ALL THIS into account, it is not difficult to find the answer to the drop-out problem. That answer is to strengthen Jewish awareness among Jews while they are still in Russia and to create in Israel conditions for professional absorption in the sciences, medicine, engineering, etc.

Only this can help. Neither expressions of anger nor administrative measures aimed at preventing the physical possibility of dropping out (e.g., direct flights) can be effective. They only create bitterness among Jews in Russia.

Attempts to convince the U.S. administration not to grant visas to Soviet Jews are completely impractical (I deliberately avoid any arguments from the moral, halachic and other points of view). Even if Hias stopped its activities, this would only encourage and strengthen the Tolstoy Fund and similar missionary organizations and they would find ways of providing those who fall into their hands with visas.

Over the last half year, Gorbachev's "new line," *glasnost*, etc., have been widely discussed, but there have been no fundamental changes regarding exit permits, and many veteran refuseniks are still

kept without even a hint that they have a chance of being released in the near future. Nevertheless, one cannot ignore the fact that the number of exit permits granted monthly is almost 10 times as much as it was just a year ago.

Thus, about 1,000 Soviet Jews are leaving Russia every month. Unfortunately, only about 200 are coming to Israel (last month it was 300).

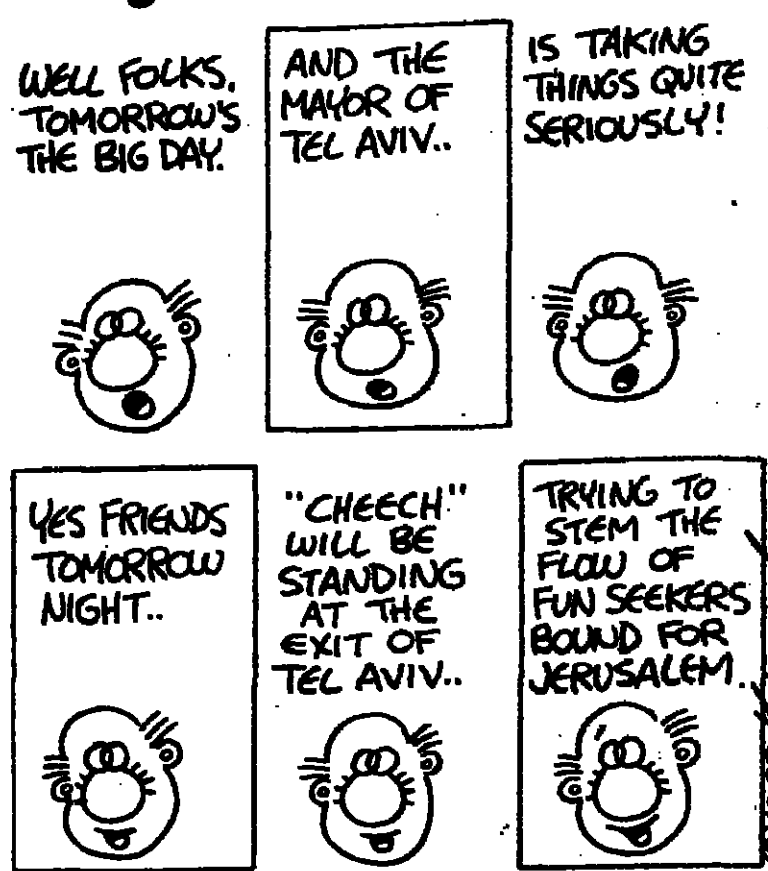
It is important to note that among those approximately 200, almost 100 either belong to, or have been influenced by, the Tora-based Jewish revival movement. Closely related to Habad hassidic circles, this revival has spread widely in the USSR during the last decade and has involved many thousands. Remarkably, not a single person among this group has gone to America.

This makes it necessary for those responsible for absorption to adjust their work to the new and even surprising fact that many, if not most, Soviet olim are now requesting "glatt kosher" conditions in absorption centres, etc. The Jewish Agency and Ministry of Absorption are already well aware of this.

Also new, and surprising for some people, is the fact that in a majority of cases, Orthodoxy is combined with an academic profession. As already mentioned, the proportion of academics among Soviet Jews is extremely high. Here are some statistics: Since January 1987, about 380 Soviet olim requiring jobs have arrived (the rest are children, students and pensioners). Among them 180 are scientists, engineers and physicians. This raises the problem of absorbing people with academic professions, especially research workers whose numbers are greater than the "normal" proportion in the general population.

THUS, THOSE who care about Soviet Jews and about their coming to Israel have to look for new, unconventional solutions. Different suggestions could be advanced, but there is nothing more reliable and convincing than practical experience. I would therefore like to refer

Dry Bones



to an unprecedented project for the absorption of Russian olim and the prevention of drop-outs which was started in Jerusalem only a few months ago but has already had a strong impact on the state of mind of Soviet Jews both in Israel and in the USSR. This is probably the first time that new immigrants from Russia have taken matters so firmly into their own hands.

A Centre for Advanced Technologies, developing hi-tech devices in the areas of electromagnetism, electronics, biophysics, etc., and selling computer software, was established as a commercial enterprise. Run by several professors who came from Russia 10-15 years ago and acclimatized well in Israel, this centre offers an alternative to the non-existent openings in Israeli universities. (As is well known, the universities are going through incredible financial difficulties and are so saturated that it is commonly said that if Einstein were here today, he wouldn't be able to find a university post.) It also teaches new Soviet immigrants "lessons in capitalism," meaning that research should be very much market-oriented.

The same project also offers special housing solutions, envisaging eventually a Russian-Jewish neigh-

bourhood. Finally, it also has a Tora ingredient — an evening academy for Jewish studies.

The project is run by a Jerusalem organization called Shamir (*Shomrei Mitzvot Yotzei Russia*), sponsored by the Lubavitcher Rebbe. About \$3 million have already been provided by Ronald Perelman of the Revlon Group and Joseph Gutnick from Australia.

Word spreads quickly in the Soviet Union. Within weeks of the launching of the project, reports were received about Soviet Jews with exit visas switching the labels on their luggage from New York to Jerusalem. There is no doubt that a project of this kind will ultimately contribute also to the economy of the country and to its image.

Nobody knows how long the present situation in Russia will last. Therefore action has to be taken immediately. If we in Israel succeed in bringing about a situation in which a large group of recent immigrants find satisfaction here, that will be the strongest factor in turning the emigration from Russia back into *aliya*. It may be the last opportunity given to us.

The writer is professor of magnetohydrodynamics at Ben-Gurion University.

UJA and its partners

Stanley Horowitz

contributors — and our other UJA missions which together aggregate almost 5,000 givers — hear about and visit the programmes of the Agency and JDC. As a result, they and our other contributors support the campaign more generously each year. Notwithstanding some waning enthusiasm due in part to the "unrelenting criticism" of the Agency. To offset this, UJA will give increasing attention in the future to interpreting effective Jewish Agency programmes with the clarity and drama which they deserve.

Second, we will continue to seek improvement in the Jewish Agency's governance, management and priority-setting process, and to take seriously justified criticisms. But

acting constructively to correct problems does not mean weakening our system comprised of contributors, federations and UJA working together with restraint and without unilateral action or undue rhetoric. Ironically, one of the papers referred to by *The Jerusalem Post* was written by me, in part, as a rejoinder to the one federation which diverted a minor sum of money from UJA-Jewish Agency-JDC, to small programmes of its own selection. The action was meant to send a "message." (To the best of my knowledge, this "message" has not

been followed by any of the 600 federation or community campaigns affiliated with UJA.) My paper called for correcting problems and seeking change without compromising our unity or our "longstanding commitment to current overseas programmes nor our (UJA/federation) process of deliberation and collective decision-making."

Third, the "programme-package" to be supported by UJA in its second half-century should include programmes that respond to Israel's highest human-needs priorities. At the same time, we should be responsive to the increasing desire of some contributors to support special projects with which they can be personally identified. Certainly the Jewish Agency and/or the JDC will want to

consider the possibility of including such new programmes. On the other hand, the future is too unpredictable to know with certainty the best options for future support of new programmes.

Finally, a word about UJA: any organization which aspires to excellence must plan for its future. UJA will do just that. It will do so through a healthy process involving its leaders and it will soberly take into account existing perceptions and realities as well as options for the future — our contributors and federations expect and are entitled to no less. Change is inevitable, but these deliberations do not necessarily imply the negation or abandonment of UJA's present responsibilities. To prejudice the conclusion in that way is to do an injustice to all who are seeking to assure our common future.

(The writer is the President of the United Jewish Appeal.)

READERS' LETTERS

BIPAC REPORT

To the Editor of *The Jerusalem Post* Sir, — It has been drawn to my attention that *The Jerusalem Post* recently ran an article about the payments for work on the EEC Monitor, describing the arrangements as a scandal. The only scandal are the allegations in the article.

Let me put the record straight: I was one of the researchers on the Monitor who received payments over a period of some years. I was then in training for the Deaconess Ministry in the Church of England and, because there is always a need

for sensitivity in Christian-Jewish relations, it was felt appropriate to protect my identity, and that of other non-Jewish helpers, under the Alexander Keddie pseudonym.

It is a cruel irony that Eric Moonman's protection of the identity of Christians, motivated by sympathy of Israel, has been turned into a story of improper behaviour.

Rev. AUDREY COZENS, Assistant Curate, St. Mary The Virgin, Shenfield, Essex.

FUNDING THE LAVI

To the Editor of *The Jerusalem Post* Sir — I would like to propose to Finance Minister Nissim that he impose a 100 per cent tax increase on all cigarettes, tobacco and smoking accessories. Not only would this have the beneficial effect of discouraging the use of the cancer weed, but (in this country anyway) it would probably generate enough revenue to pay for the Lavi, fix the country's roads and stimulate economic growth. CLIVE MOSES, Rishon LeZion.

TV SCHEDULING

To the Editor of *The Jerusalem Post* Sir — Contrary to the usual nursery rules, Israel Television rewards us for staying up late and penalises those who want to go to bed at a reasonable hour.

I am referring to the screening of *Lost Empires*, a production of unusual interest at 11.10 on Saturday nights. One would expect a series like this to be allotted prime time, but not in Israel.

This is not the first time this sort of thing has happened and I ask the powers-that-be to re-think the matter and put a good show on when a large part of the population wants to see it, which is not 30 minutes before midnight. AVIVA EVEN-PAZ, Jerusalem.

DISCOVERY

To the Editor of *The Jerusalem Post* Sir, — I am glad to know that Rabbi Shlomo Goren has discovered that the world is round ("Shabbat at the date-line" — August 7). Does this justify his having a half page of *The Jerusalem Post*? E.S. SCHEINBOK, Ra'anana.

YOHANAN BOEHM

To the Editor of *The Jerusalem Post* Sir, — On August 7, Eli Karev paid tribute to the late Yohanan Boehm. What he omitted to mention was that Boehm was also a composer. Though he was very modest about it, he wrote some very beautiful works. He did not sacrifice clarity, depth and beauty of sound on the altar of modernity. RACHAEL and MICHAEL CHAZAN, Jerusalem.

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